

HEELIS & LODGE

Local Council Services • Internal Audit

Internal Audit Report for Ardleigh Parish Council – 2019/2020

The following Internal Audit was carried out on the adequacy of systems of control. The following recommendations/comments have been made:

Income: £152,370.66

Expenditure: £140,817.45

Reserves: £139,221.52

AGAR Completion:

Section One: No

Section Two: No

Annual Internal Audit Report 2019/20: Yes

Certificate of Exemption: N/A

Proper book-keeping Cash Book, regular reconciliation of books and bank statements. Supporting vouchers, invoices and receipts

All were found to be in order. LGAs137 and VAT payments are tracked and identified within the year end accounts.

The cashbook is referenced providing a clear audit trail. Supporting paperwork is in place and well referenced.

Financial regulations Standing Orders and Financial Regulations
Tenders
Appropriate payment controls including acting within the legal framework with reference to council minutes
Identifying VAT payments and reclamation
Cheque books, paying in books and other relevant documents

Standing Orders in place: Yes

Reviewed: 13th May 2019 (Ref: 19/93).

Financial Regulations in place: Yes

Reviewed: 13th May 2019 (Ref: 19/93).

VAT reclaimed during the year: Yes

Registered: No

General Power of Competence: No

There were no tenders during the year that exceeded the £25,000 Public Contract Regulations threshold.

Recommendation (1): To update Standing Orders to incorporate reference to the Public Contracts Regulations 2015.

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Risk Assessment

Appropriate procedures in place for the activities of the council
Compliance with Data Protection regulations

Risk Assessment document in place: Yes
Data Protection registration: Yes - Z2821463 Expiry 14/09/2021

Data Protection

The General Data Protection Regulations have changed and the new Regulations came into force on 25 May 2018. It is likely that this will affect the way in which the Council handles its data. Due to the financial risk associated with the General Data Protection Regulations, the Council have included this in their Risk Assessment.

Privacy Policy published: Yes

Insurance was in place for the year of audit. The Risk Assessment was reviewed at a meeting on 10th June 2019 (Ref: 19/0110). Internal Controls were reviewed at a meeting held on 13th May 2019 (Ref: 19/93).

The Council have good internal financial controls in place. Payment schedules, cheque stubs and invoices are initialled by signatories. The Clerk provides financial reports to council meetings. Councillors are provided with information to enable them to make informed decisions.

The annual play area inspection has been undertaken during the year 10th June 2019 (Ref: 19/108.2, 3 & 4).

Fidelity Cover: £250,000

The level of Fidelity cover is within the recommended guidelines of year end balances plus 50% of the precept.

Transparency

Under the **Transparency code for smaller authorities**, smaller councils with income/expenditure under £25,000 should publish on their website from 1 April 2015:

Smaller Council: **No**
Website: www.ardleigh.website

The Council is not subject to the requirements of the Transparency Code for smaller Councils.

Under **The Accounts & Audit Regulations 2015 15(15)** councils must publish on their website:

h) external audit report
2019 Annual Return, Section Three Published – Yes

Under **The Accounts & Audit Regulations 2015 15(2b)** councils must publish on their website:

i) notice of period for the exercise of public rights
Published – Yes

Period of Exercise of Public Rights

Start Date 24th June 2019 End Date 2nd August 2019

Budgetary controls

Verifying the budgetary process with reference to council minutes and supporting documents

Precept: £36,390 (2019-2020) Date: 14th January 2019 (Ref: 19/09)
Precept: £39,400 (2020-2021) Date: 13th January 2020 (Ref: 20/011.4)

Good budgetary procedures are in place. The precept was agreed in full council and the precept decision and amount has been clearly minuted. The Clerk ensures the council are aware of responsibilities, commitments, forward planning and the need for adequate reserves. Budget papers are prepared to ensure councillors have sufficient information to make informed decisions. Budgets are monitored during the year.

Income controls

Precept and other income, including credit control mechanisms

All were found to be in order. Income controls were checked and income received and banked cross referenced with the Cash Book and bank statements.

Petty Cash

Associated books and established system in place

A satisfactory expenses system is in place with supporting paperwork. No Petty Cash held.

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Payroll controls

PAYE and NIC in place where necessary.
Compliance with Inland Revenue procedures
Records relating to contracts of employment

PAYE System in place: Yes

The Council continue to operate RTI in accordance with HMRC regulations. All supporting paperwork is in place and a P60 has been produced as part of the year end process. The Council has joined the LGPS pension scheme.

It is noted that the Council appointed a new Clerk & RFO at its meeting on 9th September 2019 (Ref: 19/0160).

Asset control

Inspection of asset register and checks on existence of assets
Cross checking on insurance cover

A separate asset register is in place. Values are recorded at cost value. The total value of assets are recorded at £189,476. Cannot compare the figure in the asset register with the figure in Section 2, Box 9 of the AGAR, as the AGAR was not submitted with the Audit file.

Bank Reconciliation

Regularly completed and cash books reconcile with bank statements

All were in order. Bank Reconciliations are carried out regularly. The bank statements reconciled with the end of year accounts and bank reconciliations for all accounts.

Reconciled Bank Balances were confirmed as:

<i>Barclays Current ****3423</i>	<i>£64,072.45 as at 31st March 2020</i>
<i>Barclays Savings ****7650</i>	<i>£50,863.85 as at 31st March 2020</i>
<i>Barclays Savings ****3474</i>	<i>£24,285.22 as at 31st March 2020</i>

The Bank signatories were reviewed at the meeting on 13th May 2019 (Ref: 19/89.1).

Reserves

General Reserves are reasonable for the activities of the Council
Earmarked Reserves are identified

The Council have adequate general reserves (£88,355.67) and have identified earmarked reserves (£50,863.85) in their year-end accounts.

Year-end procedures

Appropriate accounting procedures are used and can be followed through from working papers to final documents
Verifying sample payments and income
Checking creditors and debtors where appropriate.

End of year accounts are prepared on a Receipts & Payments basis.

Sole Trustee

The Council has met its responsibilities as a trustee

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The Council is a Trustee of:

- *Ardleigh Recreation Ground (Charity Commission Reg: 801290) whose accounts for the year ended 31st March 2019 were updated on the 23rd January 2020*
- *Ardleigh Village Hall (Charity Commission Reg: 301234) whose accounts for the year ended 31st March 2019 were updated on the 23rd January 2020.*

Internal Audit Procedures

The 2019 Internal Audit report was considered by the Council at a meeting held on 10th June 2019 (Ref: 19/106.2).

A review of the effectiveness of the Internal Audit was carried out on 10th June 2019 (Ref: 19/106.1).

Heelis & Lodge were appointed as Internal Auditor at a meeting held on 10th June 2019 (Ref: 19/106.5).

External Audit

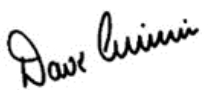
The External Auditor's report was considered at a meeting held on 12th August 2019 (Ref: 19/0148).

The following matters were brought to the attention of the Council:

Section 2, Box 2, the annual precept, does not agree to the figure published by the precepting authority. The figures in Boxes 2 and 3 should read £34,182 and £52,252 respectively. All grants, including Council Tax Support Grant, should be shown in Box 3, as per the guidance notes on the AGAR.

Additional Comments/Recommendations

- The Annual Parish Council meeting was held on 13/05/2019 within the required timescale. The first item of business was the Election of Chairman, in accordance with Standing Orders.
- There are no additional comments/recommendations to make in relation to this audit.
- I would like to record my appreciation to the Clerk to the Council for the excellent quality of documentation presented in the Audit File.



Dave Crimmin PSLCC
Heelis & Lodge
2020

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INVOICE

To:

Ardleigh Parish Council
PO Box 12865
Colchester
CO7 7EZ

Invoice No: HLD1032

Date: 28th May 2020

Details	Quantity	Amount (£)	Total (£)
To carry out Year-end Internal Audit for Ardleigh Parish Council for the year ended 31 March 2020.	1	310.00	310.00
Pick-up and return courier service	2	15.00	30.00
Total			340.00

Please make cheques payable to: Heelis & Lodge

Bank Details: Account 02539349 Sort Code 72-00-00

Terms – 30 days

Thank you.

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